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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 09/23/08

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(1) SGI Chairman Ikeda meets U.S. Ambassador to Japan Schieffer
(part 2): Japan should be a bridge between the U.S. and China

SEIKYO SHIMBUN (Page 2) (Full)
September 20, 2008

Later in the meeting, the topic came up about what was important
when thinking about the future course of Japan-U.S. relations.

The Ambassador stressed that when thinking about the future of Asia
over the next 20 to 30 years, it was inconceivable that there would

be conflict between the interests of America and that of Japan. As the reason for this assertion, he said, "Japan and the United States share common values." He gave such examples as democracy, rule by law, freedom of expression, freedom of the press, and freedom of religion.

In addition, he stated: "I believe that our countries together are seeking world peace through trade, education, and mutual understanding." He stressed that it was only natural for Japan and the U.S. to cooperate for the sake of the world.

The SGI Chairman reminisced about his life and the friendships he had built with such figures as Secretary of State Kissinger in America and Senator Edward Kennedy, the brother of President Kennedy. He also mentioned that at the time when he issued in Sept. 1968 a proposal for normalization of relations between Japan and China, there was a reference to peace and friendship between China and the U.S. He related his efforts as a private citizen to bring about friendly ties between Japan and China, as well as between the U.S. and China.

The SGI Chairman also touched on the relations of the three countries today. He said that Japan must earnestly maintain a friendship with China at all times, and that China recognizes the importance of the U.S. He added that it was essential for the world in the future that Japan also should play a role as a bridge between the two countries to deepen the friendly ties between the U.S. and China.

The Ambassador said that as long as Japan and America have a strong

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friendship, there would be stable development in Asia.

In addition, when the SGI Chairman asked the Ambassador about his diplomatic philosophy, he replied as follows: "The best diplomacy is not just talking to the government; I think diplomacy is talking to the nation, to the people." When the SGI Chairman brought up the Kansai region, where he had deep memories of his youth, the Ambassador expressed his hopes: "The Kansai is a dynamic region, and it still has a great potential for further development. I think the appeal of the Kansai region should be broadcast to the world."

The SGI Chairman then brought up something that the Ambassador had once said in the Kansai, namely, that Japan still has a largely untapped, splendid human resource: women. The two discussed that women's power and women's activities will sustain the new age.

Attending the meeting were Gakkai Deputy Chairman Tanigawa and other dignitaries. Representatives from each department, including the Youth Department, were there to welcome the Ambassador.

(2) Editorial: Aso vs. Ozawa -- Now it's the people's turn to choose

NIKKEI (Page 2) (Full)
September 23, 2008

Now that Secretary General Taro Aso has won a landslide victory in the Liberal Democratic Party's (LDP) presidential election, as generally expected, the Liberal Democratic Party (LDP) led by newly-elected Aso will confront the Democratic Party of Japan (DPJ or Minshuto) led by Ichiro Ozawa in the next general election. It is now the people's turn to choose either the LDP or the DPJ. Both parties should seek the judgment of the voters by providing them with clear manifestos (campaign pledges).

The reasons for Aso's overwhelming victory are clear. He has been enjoying overwhelming popularity in the polls as a candidate for the next prime minister. He is also supported by many LDP members as the key person to lead the party into the next election. No less important is the fact that with the economy entering a recessionary phase, hopes are pinned on Aso for economic pump-priming measures.

The presidential election started with a fanfare with five LDP lawmakers declaring their candidacies. But it lost steam part way.

People's interest in who might win the election weakened when Aso left the rest of the pack far behind. Policy debate did not draw much attention, because candidates' policies did not differ much. The campaign increasingly appeared to be a throwaway match, as people's interests were drawn toward the financial crisis in the U.S. and the tainted rice resale issue.

Even so, a rough sketch of president-elect Aso's policy emerged during the campaign period. He made clear his stance of giving first consideration to economic stimulus measures, saying that it would take three years for the Japanese economy to recover its health. Specifically, he pledged the implementation of a fixed-rate tax cut, policy tax cuts and measures to help small and medium-size businesses.

He indicated a stance of not adhering to the government's goal of moving the primary balance into the black by fiscal 2011. He also categorically noted that he would not raise the consumption tax for

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the next three years. He declared his intention to revise the public health insurance scheme for elderly people aged 75 or older, saying that the government policy of constraining a natural increase in social security expenses by 220 billion yen had reached its limit. He revealed a plan to finance an increase in the portion of state contribution to the basic pension with surpluses in the special account.

Aso's taking office as the president of the LDP has made clear that there has been a shift from the previous Koizumi reform-policy line. The economy has taken a downward turn, and its future is beginning to become unclear due to the financial crisis that started in the U.S. While Aso should properly implement the necessary economic stimulus measures, he also should place emphasis on policies that will spur economic structural reform that leads to economic growth.

It is not desirable to depend on the issuance of government bonds without carefully considering where the funding resources will come from. The need to implement administrative reform and eliminate wasteful spending is growing. Aso should come up with a reform vision that includes the consolidation and reorganization of the government's local branches.

President Aso will be designated prime minister in the extraordinary Diet session to be convened on September 24 and then form a new cabinet. It has been three years since the previous general election. During this period, three prime ministers have stepped down. The next prime minister should immediately dissolve the Lower House and seek the judgment of the people. Given the country's harsh economic conditions, it is desirable to dissolve the Lower House after deliberations on the supplementary budget bill in the extraordinary Diet session.

(3) British, Australian newspapers reported that Aso Mining owned by Takakichi Aso, father of Taro Aso, had used Allied POWs for forced labor

SHUKAN GENDAI (Page 20&21) (Full)
October 4, 2008

It is well known that South Korea and China are wary of Taro Aso for his hawkish words and actions. It is not known, however, that Aso has some hidden "bombs" in his relations with Australia and Britain, which are former Allies.

The so-called Aso Company Report is kept at the U.S. National Archives in Maryland.

After World War II, the company report was submitted by Aso Mining Co. in Fukuoka Prefecture to Occupation authorities investigating war crimes against prisoners of war (POWs).

Aso Mining was owned by Takakichi Aso, former Lower House member and the father of Taro Aso. Taro Aso himself had run Aso Cement Co. before he entered the political world.

Since Aso Mining employed many Koreans during the war, the South Korean government in 2005 asked (Aso Cement) to submit detailed documents. But Koreans were not the only foreigners employed by Aso Mining. According to the Aso Company Report, Aso Mining employed also Allied POWs in its Yoshikuma mine in Fukuoka.

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William Underwood, a former lecturer at Kurume Institute of Technology, who researches postwar reparations by various countries, pointed out:

"British and Australian newspapers covered this issue around April and May 2006 one after the other. I have confirmed that the Aso Company Report writes that Aso mining used 300 Australian, British and Dutch POWs as forced labor."

This weekly magazine verified the fact. There are two company reports. One was a letter, dated on June 22, 1945, to the Japan War Ministry requesting the use of 300 Allied POWs for forced labor under a 12-hour shift system.

The other was a report detailing how Aso Mining was treating POWs. The report dated Jan. 24, 1946, compiled by Aso Mining, was submitted to the Allied Occupation POW Information Bureau. The company report claims the Westerners were fed, clothed and housed better than Aso's Japanese workers. Underwood, however, questions this report, saying:

"It's hardly possible that POWs were treated well. I interviewed an Australian POW employed in the Aso Yoshikuma mine. He told me that he had been forced to work under severe conditions."

Let's examine the specifics. Although the company report writes that Allied POWs were dressed in military uniforms that were of superior quality than clothing for ordinary people, the Australian POW said: "We were down to absolute tatters by the end of the war. I don't think we had seen it through another winter." The company report also claims that, soon after Japan's surrender, prisoners thanked Aso officials for their kind treatment by giving them gifts. But the Australian POW said: "There was no such thing. That's absolute rubbish."

The company report writes that about one yen was paid and the higher wage was paid to those who had special skills. But the Australian POW said: "I was not paid at all."

When the British and Australian newspapers covered this problem two years ago, Aso, then foreign minister, would not talk about his view, only rejecting the reports. Regarding Aso Mining's use of Koreans for forced labor, Aso was quoted in a Mainichi Shimbun article on Nov. 3, 2005, as saying: "I have no intention to explain. Basically, the issue was resolved under the Treaty on Basic Relations between Japan and the Republic of Korea." He avoided giving a specific answer.

This magazine inquired about his intention, but he did not respond. Underwood said:

"Of course, Mr. Aso was not involved in the forced labor. However, if he plans to take part in the international community as Japan's prime minister, he should reveal the historical facts about Aso Mining."

(4) TOP HEADLINES

Asahi & Nikkei:
Mitsubishi UFJ Financial Group to take stake in Morgan Stanley

Mainichi:

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Aso elected LDP president, garnering 70 PERCENT of votes

Yomiuri:
Aso elected LDP president, collecting 67 PERCENT of votes

Sankei:
Aso elected LDP president; to become new prime minister tomorrow

Tokyo Shimbun & Akahata:
Aso elected LDP president

(5) EDITORIALS

Asahi:
(1) Aso elected new LDP president: Can the LDP survive?

Mainichi:
(1) Aso elected new LDP president without principle and policy

Yomiuri:
(1) New LDP President Aso must speak out about what he will do

Nikkei:
(1) Time for people to choose -- Aso or Ozawa -- in Lower House election
(2) Revolutionary change in Wall Street

Sankei:
(1) New LDP President Aso must exercise leadership by sweeping away public distrust in politics

Tokyo Shimbun:
(1) Aso elected new LDP president: Does LDP have strength to face headwind?

Akahata:
(1) No hopes for Aso to end gridlock

(6) Prime Minister's schedule, September 22

NIKKEI (Page 2) (Full)
September 23, 2008

10:16
Met at the Kantei with Consumer Administration Minister Noda, Senior Vice Cabinet Minister Masuhara, and Quality-of-Life Policy Bureau Director-General Tanaka, followed by Abduction Issue Minister Nakayama. Afterward met Deputy Chief Cabinet Secretary Futahashi.

13:21
Met Chief Cabinet Secretary Machimura and his deputy Shionoya. Machimura stayed on.

14:00
Attended the LDP presidential election at party headquarters.

15:25
Aso became new LDP president.

15:44
Met Futahashi at the Kantei.

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17:31
Attended an Education Rebuilding Council meeting.

19:11
Returned to his official residence.

SCHIEFFER